

STUDY OF INTERNATIONAL COMMUNICATIONS

OCTOBER 18 (legislative day, OCTOBER 12), 1943.—Ordered to be printed

MR. WHEELER, from the Committee on Interstate Commerce,
submitted the following

REPORT

[To accompany S. Res. 187]

The Committee on Interstate Commerce, to whom was referred the resolution (S. Res. 187) authorizing and directing a study of international communications by wire and radio, having considered the same, report thereon with the recommendation that it do pass.

The study and investigation proposed by Senate Resolution 187 is the direct and logical outgrowth of the consideration and enactment of the so-called Domestic Merger Act (Public Law 4, 78th Cong.).

During consideration of the latter act, which authorized the merger of domestic telegraph carriers, serious consideration was given in both the Senate Committee on Interstate Commerce and the House Committee on Interstate and Foreign Commerce to the complex problems affecting United States carriers engaged in international communications by wire and radio. In fact, in one of the early drafts of the domestic merger bill (S. 2445, 77th Cong.) a provision was included to permit merger of United States communication carriers operating in the international field; and such a provision was included in a merger bill reported in the House of Representatives in the Seventy-seventh Congress.

A number of factors made inadvisable any final congressional consideration of the international communication problem at the time of the enactment of the Domestic Merger Act.

One important objection was that the congressional committees considering the problem required far more information on the subject than was then available to them. Questions of ownership, foreign controls, control of subsidiary manufacturing entities, agreements with foreign governments, corporations, and nationals, rates, services, and many others were necessary to be answered before correct legislative action could be taken.

Of equal importance to the committee was the viewpoint on communication problems expressed at that time by military agencies in a formal report.

The Navy, in formal testimony by Rear Admiral Hooper who was authorized to express the official Navy viewpoint, opposed legislation which would have permitted merger of United States carriers engaged in international communications. Thereafter several members of the Committee on Interstate Commerce conferred with Secretary of the Navy Knox on the question. It may be noted here that the Navy has a long and continuing interest in the problem of United States international communications. The Navy was not only better informed than other Government agencies on the background and immediate problems, but presented cogent and convincing reasons against final legislative action which would have permitted merger of international communication carriers at that time and on the same terms which had been proposed for domestic carriers. The Navy Department explained that studies on the subject then under way were proceeding rapidly; that it was desirable, even vital, that any final Navy viewpoint be implemented by the wartime conditions and experiences which were even then being observed and correlated. Incidentally, these studies and findings, the committee believe, will assist greatly in the fact-finding investigation which the committee believe should now be undertaken by the Congress itself.

The Committee on Interstate Commerce, when apprised of these facts, eliminated the international merger provisions from the Domestic Merger Act. During the sessions of the conference committee of the two Houses on the Domestic Merger Act, the international question was discussed and there was informal agreement among conferees that the Congress should not long delay in conducting a comprehensive study of international communication problems.

Continuing developments and recent observations make it imperative that such a study, looking toward legislative recommendations, not be further delayed.

Deserving particular consideration are recent confidential reports on international communication matters made to the Senate by some of its members who have completed an extensive survey of the war fronts. These reports, while admittedly fragmentary, buttress certain important facts well known to cognizant military leaders concerning the restrictions under which United States communication carriers in the international field operate; their inadequacy in serving United States interests; their inability under present organization to break into powerful cartel-dominated communication empires.

A further consideration is the fact that there can be no comprehensive and clear-cut international post-war planning without the fullest consideration of the communication problem.

Still another factor of present and immediate concern to the Congress is the problem of regulation of international communication carriers. Admittedly, existing law is inadequate to cope with the communication problems that will face this country in the post-war world. The inadequacies of the law are further complicated by frequent and growing criticism of the administrative agency and its personnel—criticism which no longer can be ignored by Congress. That administrative agency is an arm of the Congress, and, as such,

is responsible to it. It is the duty of the Congress to ascertain in advance whether its creature is competent and experienced enough to undertake duties which inevitably must be thrust upon it; or whether a different method of selecting administrators for technical duties must be advocated.

For these reasons, the Committee on Interstate Commerce recommend that Senate Resolution 187 be adopted.



